

# THE BOSTON INFORMER

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*The newsletter for people who care about Boston*

Winter 2007/2008

## The State of Transportation in Massachusetts

**Or whatever happened to the Transportation Finance Commission recommendations?** Two path-breaking reports from the Transportation Finance Commission, a legislative commission established by Ch. 196 of the Acts of 2004 to analyze the state's long-term transportation capital and operating needs and recommend ways to close the funding gap, seem to have been lost in the casino din. The multi-year work of this independent commission briefly hit the screen and disappeared. The commission's work is the most cogent argument for a dramatic and immediate change in the way transportation is financed in Massachusetts. Download and read the reports (58 pages and 37 pages) [http://www.eot.state.ma.us/downloads/tfc/TFC\\_Findings.pdf](http://www.eot.state.ma.us/downloads/tfc/TFC_Findings.pdf) and [TFC\\_Recommendations.pdf](http://www.eot.state.ma.us/downloads/tfc/TFC_Recommendations.pdf). Or read the summary below. Then call your state legislator.

### Vol. I: "An Unsustainable System"

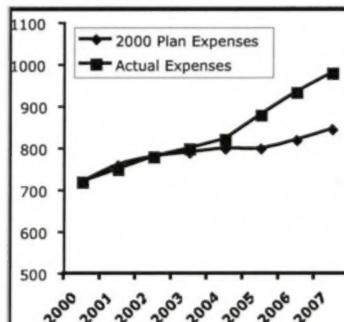
The Commission's basic finding was that every agency is running structural deficits forcing quick fixes that do not address the real problems. The systems are a wreck and the \$15 billion to \$19 billion funding gap is real.

### MBTA and Regional Transit Authorities

■ Operating costs are not controlled, and the MBTA has not come close to meeting the 2000 Finance Plan goal of limiting growth of operating costs to 2.5% per year. Actual growth has been 5% per year. The main culprits? MBTA retirement benefits (pensions and health care). Retirees account for about one-half of the MBTA's

health care costs, and two-thirds of the retirees are under 65 (not eligible for Medicare).

- Sales tax revenue is inadequate: the 2000 Finance Plan assumed a conservative growth in sales tax—3% per year—but this has not happened. Since 20% of sales tax revenue goes to the MBTA, this lack of growth is a problem.
- Debt burden is 25% of MBTA expenses. At \$328 million (FY06), this is more than the MBTA took in in fares in 2006.
- State of Good Repair—defined as capital assets functioning at intended capacity within their design life—cannot be achieved because the MBTA has not generated a surplus (est. \$67 million in FY07) to fund improvements.
- The 15 Regional Transit Authorities routinely borrow to pay operating expenses.



**Chart: MBTA Operating Expenses: 2000 Finance Plan vs. Actuals**

The MBTA has not succeeded in controlling operating costs, a key to getting it on sound financial footing. The growth in operating costs has been twice what its 2000 Finance Plan called for, 5.0% per year, not 2.5%.

Source: Exhibit. 1, Vol. 1, Findings of the Mass. Transportation Finance Commission.

### MassHighway

- Staffing is inadequate, down from 3,000 to 1,740. The Federal Highway Administration declared this "well below the minimum needed to fulfill the necessary construction...functions."
- 82% of staff and 65% of MassHighway operations are paid from the capital, not operating, budget (2006).
- 44% of Massachusetts' highway funds go to paying debt service, the highest in the nation.
- 25% of money expected from the Federal government for highway spending between FY07–09 will go to repay notes issued for the Central Artery/Tunnel project (CA/T).

### MassPike

- MassPike's problems started when the state went to MassPike to cover a big part of the CA/T. MassPike is paying \$1.8 billion of CA/T cost, about \$1.4 billion funded through debt.
- The state committed existing funding—a portion of license and Registry fees—but no new sources.
- The CA/T operating and maintenance costs over time will exceed the \$25 million per year given to MassPike by the state.
- Toll discounts exacerbate MassPike's problems. FAST LANE alone costs \$12 million per year.

### Vol. 2: "Building a Sustainable Transportation Financing System"



Source: The Druker Co./Cesar Pelli

**350 Boylston St., former Shreve, Crump & Low building** — The Druker Company, owners of 350 Boylston St. at the corner of Arlington Street, will soon be starting agency and community review of its plan to redevelop the site into a nine-story office building with ground-floor retail. The building, with its Art Deco facade, would be replaced with a nine-story, 221,230 s.f. building with three levels below grade for 150 cars and a fitness center. A 14-member Impact Advisory Group has been formed by the Boston Redevelopment Authority to help establish mitigation.

The Commission established two principles for establishing a new way of doing business in the state: Reform and Revitalization—*continued on next page*

## What's Up?

**1 Back Bay Street Furniture** – In response to last year's rebuke by the Back Bay Architectural Commission (BBAC) for not following BBAC guidelines for installation of the Big Belly trash compactors, the City has presented updated designs. The new "cordless compaction system" unit has a more rounded shape and a 25% smaller footprint than the out-of-character units currently in the Back Bay. Like the earlier designs, the new unit has a "large space for signage" which was a concern previously expressed by the BBAC.

**2 Boston Public Library Plaza** – The multi-million-dollar project that expanded the plaza in front of the Boston Public Library (BPL) in Copley Square has problems. Granite paving recently installed on Dartmouth Street after more than 10 years of planning continues to be damaged. Speculation is that vehicles have parked or driven on the granite and cracked most of the drain line covers and some of the paved area. The recent termination of the BPL head has put this issue on the back burner. In addition, the MBTA's contractor at Copley station apparently damaged some of the historic granite on the Boylston Street side while trying to store it.

**3 Boston Bikes Initiative** – After years of making Boston one of the worst cities in the country to ride a bike according to Bicycling magazine, Mayor Menino has turned over a new leaf. He appointed Nicole Freedman, former staff for the Hub on Wheels bike event, as bicycle coordinator, reporting to the Mayor. Freedman signed up the League of American Bicyclists (LAB) to help make the city a "Bicycle Friendly Community," an LAB designation requiring a comprehensive program. A five-day "Summit" held in October drew participation from activists, agencies, architects, engineers and residents. It focused on identifying immediate actions that would make a difference in bicycle safety and access. Signage, bike lanes, enforcement and education were among dozens of proposed actions. The Summit concluded in October but no action plan or other follow-up has been issued.

**4 Vamoose Bus**, which runs reserved-seat express service between New York and Washington, D.C., has been stymied in its attempt to serve the Boston-New York market. First, Boston treated Vamoose as if it had asked permission to park an aircraft carrier in the middle of Stuart Street, rejecting a request for a curbside location for fewer than 10 buses a day, requiring Vamoose to operate from So. Station. No berths are open at the bus terminal. It wasn't too long ago Bonanza buses loaded on Dartmouth Street.... Cambridge provided a curbside berth, but revoked it when Vamoose's bus provider, Crystal Transport, learned its interstate carrier license was rejected. The reason? The Federal Motor Carrier Safety Administration, with a policy that smacks of anti-competition, publishes license applications, triggering a 10-day period in which anyone may file a protest stating why a company should be denied. Peter Pan Bus Lines, which runs up to 24 buses to New York daily, filed a protest, blocking the Vamoose's license. According to Vamoose's Florence Bluzenstein, Peter Pan's 30-page protest included a statement that Vamoose's service would cut into its profits. Vamoose is appealing.

## PEOPLE MOVERS

Frank Tramontozzi, from Fay, Spofford & Thorndike to MassHighway chief engineer.  
Rick Azzalina, from Louis Berger Group to Fay, Spofford & Thorndike.

Jim Purdy, from Louis Berger Group to Planners Collaborative.

Michael Lewis is retiring as director of the Central Artery/Tunnel (CA/T) project after a long tenure in various positions.

Helmut Ernst, from MassPike chief engineer to CA/T director.

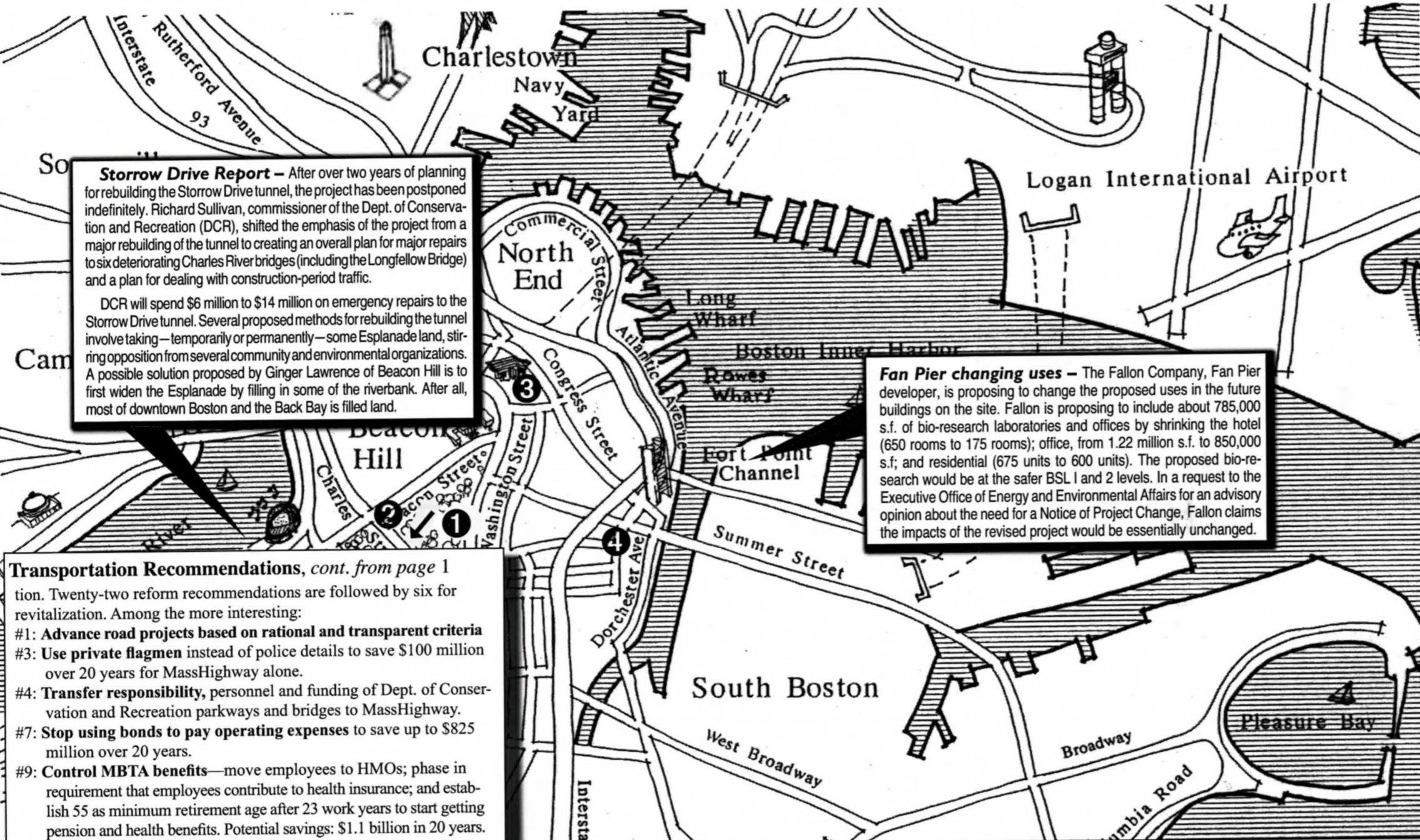
Alan LeBovidge, formerly commissioner of the Mass. Dept. of Revenue, is the new executive director of MassPike.

Mary Jane O'Meara, acting MassPike executive director, returned to her job as Massport director of the Tobin Bridge.

Karen Nuber, from Massport general counsel to executive director of the State Ethics Commission.

Bill Whitney, former development director at The New England Aquarium and The Drucker Co., to Berklee College of Music Real Estate and Development.

John Palmieri is the new director of the Boston Redevelopment Authority. He held economic development posts in Providence and Hartford.



### Digging Deeper:

#### 3 More Questions for Chan Rogers about the Storrow Drive Tunnel

"A single conversation across a table with a wise man is worth a month's study of books." Chinese proverb

##### Today's topic: Fixing the Storrow Drive Tunnel

Chan Rogers, P.E., a retired civil engineer, worked on the Big Dig for 10 years.

**TBI: You have been following the Storrow Drive tunnel reconstruction process. DCR recently stopped work on planning a major reconstruction of the Storrow Drive Tunnel, opting for temporary repairs. What do you think?**

CR: The estimated cost of the emergency repairs is high—\$6.8 million to \$14 million—and DCR won't know the full extent of the work until it gets into the tunnel to do the work. Few agencies would operate this way; that is, few agencies would spend so much money before deciding on a permanent solution that could obviate the emergency repairs. There's no question that emergency repairs won't be enough—we need a solution that will last 100 years.

**TBI: One reason given for the shift to emergency repairs was the need to consider Storrow Drive construction in the context**

of other major Charles River projects. How did DCR figure it would deal with all of it?

CR: The complexity of traffic issues in the Charles River Basin with at least five big projects—including the Longfellow Bridge—became more evident. The lack of a firm working with DCR to oversee transportation and traffic management issues and coordination of all detour routes in the Charles River Basin is a problem and may be holding DCR back.

**TBI: DCR studied lots of options for reconstruction, from rebuilding the existing tunnel to eliminating it in favor of all surface streets. Why is the review process so painfully slow? And what do you think?**

CR: The process is painful because it's not used to help make decisions but to generate more data and questions. DCR's consultant has been looking at this tunnel for about 15 years. This investment in the tunnel should last 100 years—not 20 or 50 years. DCR should make a decision on the overall approach—make it a "mission statement" and keep the momentum going.

### Transportation Recommendations, cont. from page 1

tion. Twenty-two reform recommendations are followed by six for revitalization. Among the more interesting:

- #1: Advance road projects based on rational and transparent criteria
- #3: Use private flagmen instead of police details to save \$100 million over 20 years for MassHighway alone.
- #4: Transfer responsibility, personnel and funding of Dept. of Conservation and Recreation parkways and bridges to MassHighway.
- #7: Stop using bonds to pay operating expenses to save up to \$825 million over 20 years.
- #9: Control MBTA benefits—move employees to HMOs; phase in requirement that employees contribute to health insurance; and establish 55 as minimum retirement age after 23 work years to start getting pension and health benefits. Potential savings: \$1.1 billion in 20 years.
- #10: Restore Management Rights so the MBTA can manage its workforce
- #11: Fund MBTA State of Good Repair; the State should assume the MBTA's debt from CA/T transit commitments
- #12: The State should pay for all MBTA expansions, and the MBTA must show adequate funds to operate and maintain any expansion
- #13–16 focus on strengthening the Regional Transit Authorities.
- #21: Transfer Tobin Bridge from Massport to the metro Boston area's single cost center, the Metropolitan Highway System.
- #22: Dedicate all transportation revenues to transportation purposes.
- #23: Increase gas tax by 11.5 cents indexed to inflation. The 21-cent portion that goes to transportation has lost one-third of its value since 1991. The increase would raise \$345 million per year.
- #23: Balance the operating budget for the Western Turnpike by reinstating tolls at exits 1–6 and raising tolls at other Western Turnpike exits. Without this there will be a \$1.2 billion deficit over 20 years.
- #24: Establish target fare recovery ratio of 50% from fares (2006 ratio was 27%; 2007 ratio after the fare increase was about 50%) and raise fares 10% every three years
- #27: Move to direct road user fees whereby roads and bridges would be treated like utilities with everyone paying based on usage. Consider road user fee of 5 cents per mile.

## Welcome to The Boston Informer

The goal is simple: provide concise public information on construction projects, planning initiatives, and whatever else affects living and working in Boston. Welcome to The Boston Informer!

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*The lack of Greenway signs and directional signs on the new Rose Kennedy Greenway is in sharp contrast to the huge federal highway signs for interstate motorists.*



"Do you think it's an easy walk to Concord, NH?"

## You Were Asking

- Q. Is it true that the office vacancy rate is quite low meaning rents will go up? It seems like just last year the vacancy rate was close to 14%.
- A. Three top commercial real estate firms reported in the Boston Business Journal that Boston's office vacancy rate is between 8.1% and 10.9%. It was 2004 when the vacancy rate was 13.2%, and in the dark days of 1991 it was a whopping 19.4%.
- Q. I think Boylston Street is so much nicer narrowed to two lanes at the Mandarin construction site. Will this become permanent?
- A. Although not in the original plans, the idea of eliminating a travel lane on Boylston Street is beginning to build steam.
- Q. What's going in where Jimmy's Harborside restaurant [now demolished] on Northern Avenue used to be?
- A. Developer Cresset Harbor LLC is proposing two buildings and a kiosk with footprints of less than 24,000 s.f. on the 65,000 s.f. site. The kiosk will be one story. One building will be two stories; the other, four. Restaurants will occupy the first two floors and office space on the two upper floors. The developer will also build a section of Harborwalk along the water. Massport owns the site.
- Q. When will the Central Artery project (Big Dig) be finally, completely finished?
- A. Probably never, because of the continuing water leaks which are now being called "an ongoing maintenance issue," but which could lead to long-term structural problems like those in the Storrow Drive tunnel. In the short run, project manager Bechtel/Parsons Brinckerhoff's term ended Dec. 31, 2007, leaving MassPike to finish about \$160 million of construction work over the next three years. Incidentally, in a recent typical Boston Sunday Globe "Stops and Starts" column listing road closures for repairs, 15 of 19 listings were for the Big Dig.
- Q. If I am a visitor to Boston out for a walk along the new Greenway, how do I know where I am? There are no signs for pedestrians.
- A. You don't. Just walk to South Station and go home.

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